

ASSEMBLY BILL

No. 1508

Introduced by Assembly Member Lieu

February 23, 2007

An act to amend Sections 1800.5, 1801, 1807, 1809, 1819, and 1821 of, to add Sections 1803.1, 1803.2, 1803.3, 1803.4, 1803.6, 1819.5 to, to repeal Sections 1805 and 1805.5 of, and to repeal and add Section 1803.5 of, the Financial Code, relating to money transmission.

LEGISLATIVE COUNSEL'S DIGEST

AB 1508, as introduced, Lieu. Money transmission: licensees and agents.

Existing law provides for the licensure and regulation by the Commissioner of Financial Institutions of money transmitters, who receive money in this state for transmission to foreign countries, and makes a violation of these provisions a crime.

(1) Existing law authorizes licensees to appoint a person to act as an agent for that licensee if, among other things, that person has obtained the authorization of the commissioner to act as an agent for that licensee.

This bill would delete the provision requiring the commissioner to authorize a person to act as an agent for a licensee. Instead, the bill would require a licensee to conduct a review of the proposed agent's fitness to act as an agent and determine that the proposed agent is of good character and sound financial standing and to maintain records of this review for a specified period.

Existing law authorizes the commissioner to revoke or suspend an agent's authorization, after a hearing, if the commissioner makes certain findings, and to immediately suspend or revoke that authorization if necessary to protect the public.

The bill would authorize the commissioner, after notice and a hearing, to issue an order suspending or barring an agent from continuing to be or becoming an agent of any licensee for a specified period if the commissioner makes certain findings, and to issue an order immediately suspending or barring that agent from continuing to be or becoming an agent of any licensee if necessary to protect the public. The bill would specify procedures with respect to applications to modify or rescind the order and would require a licensee to suspend or terminate an agent if an order with respect to the agent becomes effective.

(2) Existing law prohibits a licensee from establishing a branch office, as defined, or changing the location of a branch office without obtaining the approval of the commissioner and paying certain fees. Existing law also requires licensees, at the end of each fiscal quarter, to file with the commissioner a report containing, among other things, the addresses of each branch office and agent.

This bill would delete the provision requiring a licensee to obtain the commissioner's approval to establish or change the address of a branch office or requiring the payment of fees with respect to the offices. The bill would require licensees, at the end of each calendar year quarter, to file with the commissioner a report containing, among other things, the current status and address of each branch office in this state, the names of persons who acted as the licensee's agent, and the volume of transmission money received, including a specified schedule.

(3) Existing law requires licensees to file with the commissioner a certified copy of every receipt form used by it or by its agents for money received for transmission. Under existing law, no licensee or its agents shall use any receipt unless a certified copy has first been filed with and approved by the commissioner.

This bill would require licensees to file the certified copy of every receipt form within 10 business days of its first use and would delete the requirement that the certified copy of the receipt be approved by the commissioner.

(4) Existing law authorizes the commissioner to revoke or suspend a license issued to a money transmitter if, after a hearing, the commissioner finds, among other things, the licensee has committed a violation of the licensing act or any rule or regulation adopted by the commissioner.

This bill would provide the commissioner with the authority to revoke or suspend a license, after notice and opportunity for hearing, for a violation of any other state or federal law that reasonably applies to the

conduct of the licensee and would further authorize the commissioner, when necessary to protect the public, to issue an order immediately revoking or suspending that licensee's license and would specify procedures for a hearing following the issuance of such an order.

(5) Because the bill would revise requirements pertaining to money transmission licensees and their agents, a violation of which would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1800.5 of the Financial Code is amended
2 to read:
3 1800.5. For the purposes of this chapter:
4 (a) (1) "Receiving money for transmission" means receiving
5 money for the purpose of transmitting the same or its equivalent
6 to foreign countries.
7 (2) Except as otherwise provided in paragraph (3), "receiving
8 money for transmission" does not include selling any check, draft,
9 money order, travelers check, or other instrument (whether or not
10 negotiable) for the transmission or payment of money.
11 (3) "Receiving money for transmission" includes the sale by a
12 person, either directly or indirectly through an agent, of any check
13 or draft which:
14 (A) Is drawn by the person;
15 (B) Is drawn on, or is payable through or at, an office of a bank
16 located in a foreign country;
17 (C) Is denominated in a foreign currency; and
18 (D) Is not designated on its face by the term "money order" or
19 "travelers check" or by any substantially similar term.
20 (b) "Transmission money" means money received in this state
21 by a licensee for transmission to a foreign country, or any
22 equivalent into which the money is converted, from the time the
23 money is received for transmission to a foreign country until the

1 time the transmission of the money in accordance with the
2 agreement of the licensee with the customer is completed, or, if
3 the transmission is not completed, until such time as the money is
4 repaid to the customer.

5 (c) “Agent” means any person *in this state* whom a licensee has
6 appointed as its agent with authority to receive transmission money
7 on behalf of the licensee, provided that the licensee becomes liable
8 for the transmission of the transmission money—at *from* the time
9 when the transmission money is received by the person. However,
10 “agent” does not include any officer or employee of the licensee
11 when acting as such at an office of a licensee.

12 (d) “Licensee” means any corporation licensed pursuant to this
13 chapter.

14 (e) For the purposes of Section 1802.2, 1803.5, and 1804 the
15 following terms shall have the following meanings:

16 (1) “Control” has the meaning set forth in Section 700.

17 (2) “Officer” has the meaning set forth in Section 33057.

18 (f) “*Branch office*” means any office in this state, other than
19 the headquarters office of a licensee or agent, at which the licensee
20 receives money for transmission to a foreign country, either directly
21 or through an agent.

22 SEC. 2. Section 1801 of the Financial Code is amended to read:

23 1801. (a) Fees shall be paid to, and collected by, the
24 commissioner, as follows:

25 (1) The fee for filing with the commissioner an application for
26 a license is five thousand dollars (\$5,000).

27 (2) The fee for filing with the commissioner an application for
28 approval to acquire control of a licensee is three thousand five
29 hundred dollars (\$3,500).

30 ~~(3) The fee for filing with the commissioner an application for~~
31 ~~approval to establish a branch office of a licensee is two hundred~~
32 ~~fifty dollars (\$250).~~

33 ~~(4) The fee for filing with the commissioner an application for~~
34 ~~approval to establish a branch office of an agent is fifty dollars~~
35 ~~(\$50).~~

36 ~~(5) The fee for filing with the commissioner an application for~~
37 ~~extension of an approval to establish a branch office is one hundred~~
38 ~~dollars (\$100).~~

39 (6)

1 (3) A licensee shall pay to the commissioner annually on or
2 before July 1, a licensee fee of two thousand five hundred dollars
3 (\$2,500).

4 ~~(7)~~

5 (4) A licensee shall pay to the commissioner annually on or
6 before July 1, one hundred twenty-five dollars (\$125) for each
7 licensee branch office.

8 ~~(8)~~

9 (5) A licensee shall pay to the commissioner annually on or
10 before July 1, twenty-five dollars (\$25) for each agent headquarter
11 office and each agent branch office.

12 ~~(9)~~

13 (6) Whenever the commissioner examines a licensee or any
14 agent of a licensee, the licensee shall pay, within 10 days after
15 receipt of a statement from the commissioner, a fee of seventy-five
16 dollars (\$75) per hour for each examiner engaged in the
17 examination plus, if it is necessary for any examiner engaged in
18 the examination to travel outside this state, the travel expenses of
19 the examiner.

20 (b) (1) Each fee for filing an application with the commissioner
21 shall be paid at the time the application is filed with the
22 commissioner.

23 (2) No fee for filing an application with the commissioner shall
24 be refundable, regardless of whether the application is approved,
25 denied, or withdrawn.

26 SEC. 3. Section 1803.1 is added to the Financial Code, to read:

27 1803.1. (a) No licensee shall appoint any person as an agent
28 unless it has conducted a review of the proposed agent's fitness
29 to act as an agent and has determined that the proposed agent and
30 any persons who control the proposed agent are of good character
31 and sound financial standing.

32 (b) A licensee shall maintain records of this review for each
33 agent while the agent is receiving transmission money on behalf
34 of the licensee, and for two years after the relationship with the
35 agent has terminated.

36 SEC. 4. Section 1803.2 is added to the Financial Code, to read:

37 1803.2. (a) Each licensee shall be liable as a principal for the
38 transmission of the transmission money from the time when the
39 transmission money is received by the agent.

(b) Each licensee shall exercise reasonable supervision over its agents to ensure compliance with applicable laws, rules, and regulations with respect to receiving transmission money.

SEC. 5. Section 1803.3 is added to the Financial Code, to read:

1803.3. (a) If, after notice and a hearing, the commissioner finds that an agent of a licensee or any director, officer, employee, or controlling person of that agent, or director, officer, or employee of that controlling person satisfies any of the factors set forth in paragraphs (1) to (7), inclusive, the commissioner may issue an order suspending or barring that agent from continuing to be or becoming an agent of any licensee during the period for which that order is in effect:

(1) Violated any provision of this chapter or any regulation or order issued under this chapter.

(2) Engaged or participated in any unsafe or unsound act with respect to the business of receiving transmission money.

(3) Is an agent of a licensee who, because of its operations and financial condition, is not competent to supervise and monitor the agent.

(4) Is not of good character or of sound financial standing.

(5) Is not competent to engage in the business of receiving money for transmission.

(6) Will not comply with all applicable provisions of this chapter and of any regulation or order issued under this chapter.

(7) Has made or caused to be made in any application or report filed with the commissioner or in any proceeding before the commissioner, any statement that was, at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact that is required to be stated therein.

(b) If applicable, the commissioner may disclose to the licensee criminal history information upon which an order is based.

(c) If the commissioner finds that any of the factors set forth in subdivision (a) is true with respect to any agent and that it is necessary for the protection of the public interest, the commissioner may issue an order immediately suspending or barring that agent from continuing to be or becoming an agent of any licensee during the period for which that order is in effect.

1 (d) (1) Within 30 days after an order is issued pursuant to
2 subdivision (c), the licensee or the agent or former agent with
3 respect to whom the order was issued may file with the
4 commissioner an application for a hearing on the order.

5 (2) If the commissioner fails to commence a hearing within 15
6 business days after the application is filed with the commissioner
7 or within a longer period of time agreed to by the licensee, agent,
8 or former agent, the order shall be deemed rescinded.

9 (3) Within 30 days after the hearing, the commissioner shall
10 affirm, modify, or rescind the order. Otherwise, the order shall be
11 deemed rescinded.

12 (4) The right of the licensee or agent or former agent to petition
13 for judicial review of the order shall not be affected by the failure
14 of that person to apply to the commissioner for a hearing on the
15 order pursuant to this subdivision.

16 SEC. 6. Section 1803.4 is added to the Financial Code, to read:

17 1803.4. (a) The licensee or the agent or former agent with
18 respect to whom an order has been issued under Section 1803.3
19 may apply to the commissioner to modify or rescind the order.
20 The commissioner shall not grant an application to modify or
21 rescind the order unless the commissioner finds that it is in the
22 public interest to do so and the commissioner reasonably believes
23 that person will, if and when that person becomes an agent, comply
24 with all applicable provisions of this chapter and any regulations,
25 rules, and orders issued under this chapter.

26 (b) The right of the licensee or the agent or former agent to
27 petition for judicial review of the order shall not be affected by
28 the failure of that person to apply to the commissioner pursuant
29 to subdivision (a) to modify or rescind the order.

30 SEC. 7. Section 1803.5 of the Financial Code is repealed.

31 ~~1803.5.—(a) Except as provided in subdivision (b), no person~~
32 ~~shall act as an agent of a licensee, or act in any other similar~~
33 ~~capacity, and no licensee shall appoint another person to act as an~~
34 ~~agent, or to act in any other similar capacity, for the receipt of~~
35 ~~transmission money on behalf of that licensee without first~~
36 ~~obtaining the authorization of the commissioner.~~

37 ~~(b) (1) Any person appointed as an agent by a licensee before~~
38 ~~February 1, 1989, may continue to act as an agent for that licensee,~~
39 ~~without the original appointment having been authorized by the~~
40 ~~commissioner as provided in this section. However, the licensee~~

1 shall notify the commissioner by March 31, 1990, of all agents
2 appointed by the licensee prior to February 1, 1989. The
3 commissioner may thereafter issue an order revoking or suspending
4 any agent appointed prior to February 1, 1989, as provided by this
5 section. With respect to any person appointed as an agent by a
6 licensee on or after February 1, 1989, and before January 1, 1990,
7 the licensee shall comply with the requirements for approval set
8 forth in this section on or before March 31, 1990. However, the
9 application fee otherwise required for the application shall be
10 waived. This limited category of agents may continue to serve as
11 an agent of the licensee for 45 days after filing the application with
12 the commissioner but in no event beyond May 15, 1990, without
13 approval of the application by the commissioner under subdivision
14 (d).

15 (2) Any incorporated telegraph company which had more than
16 1,000 agents on February 1, 1989, or a wholly owned subsidiary
17 of that telegraph company, either of which applies for licensure
18 under this chapter, shall notify the commissioner at the time of
19 application, or, if the application was filed prior to January 1, 1990,
20 shall notify the commissioner not later than February 1, 1990, of
21 any agent who has been an agent with that company continuously
22 for at least five years prior to February 1, 1989. Any agent that
23 has been with that telegraph company continuously for at least
24 five years prior to February 1, 1989, may, from the time the license
25 is issued by the commissioner, continue to act as an agent for that
26 company without the original appointment having been authorized
27 by the commissioner as provided in this section. The commissioner
28 may thereafter issue an order revoking or suspending any agent
29 appointed by that company who has been an agent with the
30 company continuously for at least five years prior to February 1,
31 1989, as provided by this section.

32 (c) An application for the appointment of an agent shall be
33 submitted by a licensee for each proposed agent, shall be in writing,
34 under oath, and in a form prescribed by the commissioner. The
35 application shall contain that information which the commissioner
36 may require.

37 (d) If the application for the appointment of an agent is not
38 approved or denied within 45 days after the application is filed
39 with the commissioner, the application shall be deemed to be

1 approved by the commissioner as of the first day after the 45-day
2 period.

3 ~~For purposes of this subdivision, an application for the~~
4 ~~appointment of an agent is deemed to be filed with the~~
5 ~~commissioner at the time when the complete application, including~~
6 ~~any amendments or supplements, containing all the information~~
7 ~~in the form required by the commissioner, is received by the~~
8 ~~commissioner.~~

9 ~~The commissioner may disapprove the application for the~~
10 ~~appointment of an agent by a licensee if the commissioner finds~~
11 ~~any of the following:~~

12 ~~(1) That the operations and financial condition of the licensee~~
13 ~~indicate that the licensee is not competent to appoint the proposed~~
14 ~~agent to receive transmission money and to supervise the proposed~~
15 ~~agent.~~

16 ~~(2) That the proposed agent, any person who controls the~~
17 ~~proposed agent, and any director or officer of the proposed agent~~
18 ~~or of any person who controls the proposed agent, if any, are not~~
19 ~~of good character or of sound financial standing.~~

20 ~~(3) That the proposed agent is not competent to engage in the~~
21 ~~business of receiving money for transmission.~~

22 ~~(4) That it is reasonable to believe that the proposed agent, if it~~
23 ~~becomes an agent of a licensee, will not comply with all applicable~~
24 ~~provisions of this chapter and of any regulation or order issued~~
25 ~~under this chapter.~~

26 ~~(e) An agent of a licensee shall not appoint a subagent to receive~~
27 ~~transmission money.~~

28 ~~(f) Each licensee shall be liable as a principal for the~~
29 ~~transmission of the transmission money at the time when the~~
30 ~~transmission money is received by the agent.~~

31 ~~(g) The commissioner may issue an order revoking or~~
32 ~~suspending any authorization issued pursuant to this section or~~
33 ~~revoking authority to continue any agent appointed prior to~~
34 ~~February 1, 1989, if, after a hearing, the commissioner finds any~~
35 ~~of the following:~~

36 ~~(1) The agent has violated this chapter or any regulation adopted~~
37 ~~by the commissioner under this chapter.~~

38 ~~(2) Any fact or condition exists which would be grounds for~~
39 ~~denying an application for authorization under subdivision (d).~~

40 ~~(3) The agent is conducting its business in an unsafe manner.~~

~~(h) (1) If the commissioner finds that any of the factors set forth in subdivision (g) is true with respect to any agent and that it is necessary for the protection of the public interest that the commissioner immediately suspend or revoke the authorization issued pursuant to this section, the commissioner may issue an order suspending or revoking the authorization issued pursuant to this section.~~

~~(2) Within 30 days after an order is issued pursuant to paragraph (1), any licensee to whom the order is issued or any agent or former agent with respect to whom the order was issued may file with the commissioner an application for a hearing on the order. If the commissioner fails to commence a hearing within 15 business days after the application is filed with the commissioner, (or within a longer period of time agreed to by a licensee, agent, or former agent) the order shall be deemed rescinded. Within 30 days after the hearing the commissioner shall affirm, modify, or rescind the order. Otherwise the order shall be deemed rescinded. The right of any licensee to which an order has been issued under paragraph (1) or of the agent or former agent with respect to whom the order was issued to petition for judicial review of the order shall not be affected by the failure of the licensee, or the agent or former agent to apply to the commissioner for a hearing on the order pursuant to this paragraph.~~

~~(i) Section 1805 shall apply to the establishment of a branch office in this state by an agent of a licensee and Section 1805.5 shall apply to the relocation of a branch office in this state by an agent of a licensee.~~

SEC. 8. Section 1803.5 is added to the Financial Code, to read:

1803.5. (a) Any licensee, having as an agent any person to whom an order has been issued pursuant to Section 1803.3 shall, when that order becomes effective, immediately suspend or terminate that person as an agent.

(b) No person, with respect to whom an order issued under Section 1803.3 is in effect, shall become or continue to be an agent of any licensee.

SEC. 9. Section 1803.6 is added to the Financial Code, to read:

1803.6. An agent of a licensee shall not appoint a subagent to receive transmission money.

SEC. 10. Section 1805 of the Financial Code is repealed.

1 ~~1805. (a) For the purposes of this section “branch office”~~
2 ~~means any office in this state, other than the headquarters office~~
3 ~~of a licensee or agent, at which the licensee receives money for~~
4 ~~transmission to a foreign country, either directly or through an~~
5 ~~agent.~~

6 ~~(b) A licensee shall not establish a branch office without first~~
7 ~~obtaining the approval of the commissioner.~~

8 ~~(c) An application to establish and operate a branch office shall~~
9 ~~be in writing and in a form prescribed by the commissioner. The~~
10 ~~application shall contain that information which the commissioner~~
11 ~~may require.~~

12 ~~(d) The commissioner shall deny an application to establish and~~
13 ~~operate a branch office where the operations or financial condition~~
14 ~~of the licensee or of the agent are not satisfactory.~~

15 ~~(e) In case an application to establish and operate a branch office~~
16 ~~is not denied or approved by the commissioner within 60 days~~
17 ~~after the application is filed with the commissioner, or, if the~~
18 ~~commissioner extends the period within which the commissioner~~
19 ~~may act, within the extended period, the application shall be~~
20 ~~deemed to be approved by the commissioner as of the first day~~
21 ~~after the 60-day period or the extended period, as the case may be.~~

22 ~~For purposes of this subdivision, an application to establish and~~
23 ~~operate a branch office shall be deemed to be filed with the~~
24 ~~commissioner at the time when the complete application, including~~
25 ~~any amendments or supplements, containing all the information~~
26 ~~in the form required by the commissioner, is received by the~~
27 ~~commissioner.~~

28 ~~(f) The approval of an application for authority to establish and~~
29 ~~operate a branch office shall be revoked by operation of law with~~
30 ~~respect to any branch office which the applicant does not establish~~
31 ~~and operate, as the case may be, within one year after the date of~~
32 ~~approval by the commissioner. However, for good cause on written~~
33 ~~application made before the approval is revoked, the commissioner~~
34 ~~may extend the approval for additional periods not in excess of~~
35 ~~one year.~~

36 ~~(g) Not less than 60 days prior to discontinuing the operation~~
37 ~~of a branch office, a licensee shall provide the commissioner and~~
38 ~~the public with written notice of the discontinuance in the manner~~
39 ~~the commissioner directs. This subdivision does not apply to the~~
40 ~~discontinuance of a branch office of an agent if the discontinuance~~

1 of the branch office results from termination of the agency
2 relationship.

3 SEC. 11. Section 1805.5 of the Financial Code is repealed.

4 ~~1805.5. A licensee shall not change the location of a branch~~
5 ~~office without notifying the commissioner and the public in the~~
6 ~~manner as the commissioner directs at least 30 days before the~~
7 ~~date of the proposed relocation. For purposes of this section,~~
8 ~~“branch office” has the meaning specified in subdivision (a) of~~
9 ~~Section 1805.~~

10 SEC. 12. Section 1807 of the Financial Code is amended to
11 read:

12 1807. (a) The commissioner may by order or regulation grant
13 exemptions from this section in cases where the commissioner
14 finds that the requirements of this section are not necessary.

15 (b) Each licensee shall, within 90 days after the end of each
16 fiscal year, or within such extended time as the commissioner may
17 prescribe, file with the commissioner an audit report for the fiscal
18 year.

19 (c) The audit report called for in subdivision (b) shall comply
20 with all of the following provisions:

21 (1) The audit report shall contain such audited financial
22 statements of the licensee for or as of the end of the fiscal year
23 prepared in accordance with generally accepted accounting
24 principles and such other information as the commissioner may
25 require.

26 (2) The audit report shall be based upon an audit of the bank
27 conducted in accordance with generally accepted auditing standards
28 and such other requirements as the commissioner may prescribe.

29 (3) The audit report shall be prepared by an independent certified
30 public accountant or independent public accountant who is not
31 unsatisfactory to the commissioner.

32 (4) The audit report shall include or be accompanied by a
33 certificate of opinion of the independent certified public accountant
34 or independent public accountant that is satisfactory in form and
35 content to the commissioner. If the certificate or opinion is
36 qualified, the commissioner may order the licensee to take such
37 action as the commissioner may find necessary to enable the
38 independent or certified public accountant or independent public
39 accountant to remove the qualification.

1 (d) Each licensee shall, not more than 45 days after the end of
2 each quarter (except the fourth quarter of its fiscal year), or within
3 a longer period as the commissioner may by regulation or order
4 specify, file with the commissioner a report containing all of the
5 following:

6 (1) Financial statements, including balance sheet, income
7 statement, statement of changes in shareholders' equity, and
8 statement of cashflows, for, or as of the end of, that fiscal quarter,
9 verified by two of the licensee's principal officers. The verification
10 shall state that each of the officers making the verification has a
11 personal knowledge of the matters in the report and that each of
12 them believes that each statement on the report is true.

13 ~~(2) The current address of the headquarters office and each~~
14 ~~branch office of the licensee and each agent at which the licensee~~
15 ~~receives transmission money in this state.~~

16 ~~(3) The name and business address of each person who acted~~
17 ~~as an agent of the licensee during the quarter in this state, and if~~
18 ~~the person is no longer an agent of the licensee, the date on which~~
19 ~~the relationship terminated.~~

20 ~~(4)~~

21 (2) Other information as the commissioner may by regulation
22 or order require.

23 (e) *Each licensee, not more than 45 days after the end of each*
24 *calendar year quarter, shall file with the commissioner a report*
25 *containing all of the following:*

26 (1) *The current address of each branch office of the licensee in*
27 *this state. If a branch office was opened or closed during the*
28 *calendar year quarter, the date it was opened or closed. If a branch*
29 *office was relocated during the calendar year quarter, the*
30 *addresses of the old and new locations and the date of relocation*
31 *for each new location.*

32 (2) *The name of each person who acted as an agent of the*
33 *licensee during the calendar year quarter and the address for each*
34 *location at which the agent received transmission money. If a*
35 *person was appointed or terminated as an agent during the*
36 *calendar year quarter, the date of appointment or termination. If*
37 *an agent relocated, the addresses for the old and new agent*
38 *locations and the date of relocation.*

39 (3) *The total volume of transmission money received in the*
40 *calendar year quarter, the average daily transmission liability for*

1 *the quarter, and a schedule of each foreign country to which*
2 *transmission money was sent along with the total amount of*
3 *transmission money sent to that foreign country in that calendar*
4 *year quarter.*

5 (4) *Other information as the commissioner may by regulation*
6 *or order require.*

7 ~~(e)~~

8 (f) Each licensee shall file with the commissioner other reports
9 as and when the commissioner may by regulation or order require.

10 SEC. 13. Section 1809 of the Financial Code is amended to
11 read:

12 1809. (a) Each licensee shall file with the commissioner a
13 certified copy of every receipt form used by it or by its agents for
14 money received for transmission *within 10 business days of its*
15 *first use*. No licensee or its agents shall use any receipt, a certified
16 copy of which has not ~~first~~ been filed with ~~and approved by~~ the
17 commissioner.

18 (b) If a receipt is required by this chapter to be in English and
19 another language, the English version of the receipt shall govern
20 any dispute concerning the terms of the receipt. However, any
21 discrepancies between the English version and any other version
22 due to the translation of the receipt from English to another
23 language including errors or ambiguities shall be construed against
24 the licensee or its agent and the licensee or its agent shall be liable
25 for any damages caused by these discrepancies.

26 (c) Any licensee violating the requirements of this section shall
27 be subject to a fine of fifty dollars (\$50) for each violation.

28 (d) If any licensee or its agent uses a receipt form, a certified
29 copy of which has not ~~first~~ been filed with ~~and approved by~~ the
30 commissioner, the licensee shall be liable for the acts of its agents
31 whether or not the licensee authorized the agent to use that form.

32 (e) *The receipt form shall comply with the requirements of*
33 *Sections 1810.5 and 1815.*

34 SEC. 14. Section 1819 of the Financial Code is amended to
35 read:

36 1819. The commissioner may revoke or suspend any license
37 issued pursuant to this ~~article~~ *chapter*, if, after ~~a notice and~~
38 *opportunity for hearing*, he or she finds any of the following:

39 (a) The licensee has violated any provision of this chapter ~~or~~,
40 any rule or regulation adopted by the commissioner, *or any federal*

1 *or state law that reasonably applies to the conduct of the licensee's*
2 *money transmission business.*

3 (b) Any fact or condition exists which, if it had existed at the
4 time of the original application for the license, would be grounds
5 for denying an application for a license under Section 1802.2.

6 (c) The licensee is conducting its business in an unsafe manner.

7 (d) The licensee has failed to obey a final order issued by the
8 commissioner.

9 SEC. 15. Section 1819.5 is added to the Financial Code, to
10 read:

11 1819.5. (a) If the commissioner finds that any of the factors
12 set forth in Section 1819 is true with respect to any licensee and
13 that it is necessary for the protection of the public interest, the
14 commissioner may issue an order immediately suspending or
15 revoking the licensee's license.

16 (b) (1) Within 30 days after the license is suspended or revoked
17 pursuant to subdivision (a), the licensee may file with the
18 commissioner an application for a hearing on the suspension or
19 revocation.

20 (2) If the commissioner fails to commence a hearing within 15
21 business days after the application is filed with the commissioner
22 or within a longer period of time agreed to by the licensee, the
23 suspension or revocation shall be deemed rescinded.

24 (3) Within 30 days after the hearing, the commissioner shall
25 affirm, modify, or rescind the suspension or revocation. Otherwise,
26 the suspension or revocation shall be deemed rescinded.

27 (4) The right of the licensee to petition for judicial review of
28 the suspension or revocation, shall not be affected by the failure
29 of the licensee to apply to the commissioner for a hearing on the
30 suspension or revocation pursuant to this subdivision.

31 SEC. 16. Section 1821 of the Financial Code is amended to
32 read:

33 1821. Whenever it appears to the commissioner that: *a licensee*
34 *has done or is doing any of the acts specified in subdivisions (a)*
35 *to (g), inclusive, the commissioner may take possession of the*
36 *property and business of the licensee and retain possession until*
37 *the licensee resumes business or its affairs are finally liquidated.*
38 *The licensee, with the consent of the commissioner, may resume*
39 *business upon those conditions as the commissioner may prescribe.*

1 (a) ~~Any~~ The licensee has violated any ~~law of this state; federal~~
2 ~~or state law or any rule or regulation.~~

3 (b) ~~Any~~ The licensee is conducting its business in an unsafe or
4 unauthorized manner;.

5 (c) ~~Any~~ The licensee refuses to submit its books, papers, and
6 affairs to the inspection of the commissioner;.

7 (d) ~~Any~~ The licensee or any officer of a licensee, ~~if a~~
8 ~~corporation,~~ refuses to be examined upon oath touching the
9 concerns of ~~such~~ the licensee;.

10 (e) ~~Any~~ The licensee has suspended payment of its obligations;.

11 (f) ~~Any~~ The licensee is in ~~such a~~ condition that it is unsound,
12 unsafe, or inexpedient for it to transact business; ~~or.~~

13 (g) ~~Any~~ The licensee neglects or refuses to observe any order
14 of the commissioner made pursuant to Section 1818 unless the
15 enforcement of ~~such~~ the order is restrained in a proceeding
16 brought by the licensee; ~~the commissioner may forthwith take~~
17 ~~possession of the property and business of such licensee and~~
18 ~~retain possession until such licensee resumes business or its~~
19 ~~affairs be finally liquidated as herein provided. Such licensee,~~
20 ~~with the consent of the commissioner, may resume business~~
21 ~~upon such conditions as the commissioner may prescribe.~~

22 SEC. 17. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.